IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)

TUESDAY, THE FIFTEENTH DAY OF NOVEMBER
TWO THOUSAND AND FIVE

PRESENT

THE HON'BLE MR JUSTICE V.ESWARAIAH

WRIT PETITION NO : 24327 of 2005

Between:

Sri Venkata Madhavi Rice and Flour Mill,

Singarayakonda, Contractor T.Punnaiah Reddy
Rice and General Merchant

Singarayakonda Village and Mandal
Prakasam District.

..... PETITIONER

AND

1. The Districtr Collector Prakasam District, Ongole.
2. The Revenue Divisional Officer
   Kandukur Prakasam District.
3. The Mandal Revenue Officer
   Sigarayakonda Prakasam District.

.....RESPONDENTS

The Court made the following:

ORDER:

Questioning the action of the 2nd and 3rd respondents in seizing the stocks of paddy, rice and brokens under a cover of Panchanama dated 3.10.2005, the present writ petition has been filed.

The case of the petitioner, in brief, is that he has been running a trading Rice Mill under the name of Sri Venkata Madhavi Rice and Flour Mill, Singarayakonda and he has been purchasing paddy from the surrounding ryots, milling the same and carrying on the said business without any complaints from the concerned authorities. On 2.10.2005, the 2nd and 3rd respondents have inspected his rice mill and found some variations with regard to the storage of the rice and brokens while comparing the stocks with the 'B' register and seized the said stocks and sealed the mill under a cover of Panchanama and submitted a report to the authorities pending the proceedings under Section 6-A of Essential Commodities Act, 1955 (for short 'the Act'). Thereafter, the petitioner made an application before the 1st respondent-District Collector, Ongole, Prakasam District for release of the seized stocks. But, the 1st respondent disposed of the said application vide proceedings in Rc.CS1/6A/79/2005, dated 9.11.2005 and ordered for public auction of the seized stocks. Hence, the writ petition.

Heard the learned counsel for the petitioner and the learned Government Pleader for Civil Supplies.

Admittedly, the Andhra Pradesh Rice Procurement Levy Order, 1984 is still in force, and therefore, the petitioner is bound to contribute the levy rice. When the said levy order is in force, it cannot be said that the seized rice is not liable for confiscation under Section 6 A of the Act.

Having regard to the facts and circumstances of the case, it appears that after seizing of the rice, the petitioner filed an application before the Collector for release of the seized rice pending of the proceedings and the said petition was disposed of by the first respondent in Rc.CS1/6A/79/2005, dated 09.11.2005 on the ground that there is a prima facie case that the miller is doing clandestine business without maintaining proper records which resulted in variations and stored Public Distribution System Rice unauthorisedly, and therefore, the

Mandal Revenue Officer, S. Konda seized the available stocks and initiated proceedings under Section 6 A of the Act and therefore, ordered interim disposal, directing the Mandal Revenue Officer, Singarayakonda to open the seal of the mill and transport the seized stocks to a safer place from the mill premises or store the seized stocks in one big room of the mill and make arrangement for Public auction of the seized stocks and also further directed that the seized rice may be put on public auction to sell at procurement price, seized paddy at MSP rate and seized broken at local market rate.

Having heard the learned counsel for the petitioner and in view of the fact that the 1st respondent ordered the seized stocks to be put in public auction, I am of the considered view that it is just and proper to release the seized stocks to the petitioner on furnishing bank guarantee to the extent of half of the value of the seized stocks instead of conducting public auction.

Therefore, without going into the merits of the case, I deem it appropriate to direct the first respondent to complete the proceedings imposed against the petitioner under Section 6 A of the Act. Pending of the said proceedings, the 1st respondent shall be released the seized stocks in favour of the petitioner on his furnishing bank guarantee to the extent of half of the value of the seized stocks.

With the above observation, the writ petition is disposed of. No order as to costs.

_____

(V. ESWARAIAH, J)

Date: 15.11.2005

Ksn